GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:364
ANSWERED ON:26.04.2016
National Pharmaceutical Pricing Authority
Mahtab Shri Bhartruhari

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the criteria/guidelines laid down by the National Pharmaceutical Pricing Authority (NPPA) for determining and fixing prices of essential/ life saving medicines;

(b) whether the cases of deviation from the said criteria/guidelines in fixing the prices of essential/life saving medicines by the drug manufacturing companies have come to the notice of the Government during each of the last three years and the current year;

(c) if so, the details thereof, company-wise and the reasons therefor alongwith the action taken/being taken by the Government in such cases so far;

(d) whether all the drug manufacturing companies have updated their price list of medicines on their respective website, if so, the details thereof and if not, the reasons therefor alongwith the time by which it is likely to be done by the said companies; and

(d) the other steps taken/being taken by the Government to bring transparency in fixing prices of essential/life saving medicines and to curb deviation from the standard criteria/guidelines in fixing prices of such medicines?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR)

(a): Department of Pharmaceuticals (DOP) notified Drug (Price Control) Order (DPCO), 2013 on 15 May, 2013. The ceiling price of scheduled medicines (NLEM medicines) are fixed by National Pharmaceutical Pricing Authority (NPPA) on the market-based methodology as per para 4 & 6 of DPCO, 2013. The companies are not allowed to increase the price beyond wholesale price index in a year as per para 16 of DPCO, 2013. In respect of non- scheduled medicines, the companies are not allowed to increase the MRP of medicines beyond 10% of the MRP of preceding 12 months as per para 20 of DPCO, 2013.

(b) & (c): Yes, Madam. Whenever companies are found overcharging the consumer in respect of prices of medicines, NPPA issues demand Notices for recovery of overcharged amount alongwith interest thereon, under various provisions of DPCO, 1995 and DPCO, 2013 read with Section 7A of Essential Commodities Act, 1955. The details of overcharging cases of 2015-2016 are given below:
2015-16

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No. of Companies Demand Notice issued
(Rs. in crore) Recovery effected
(Rs. in crore)
DPCO, 1995 DPCO, 2013 Total DPCO, 1995 DPCO, 2013 Total DPCO, 1995 DPCO, 2013 Total
159 104 263 907.84 20.48 928.32 7.96 4.72 12.68
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The year-wise list of these overcharging cases (updated upto 31.03.2016) has been uploaded on the website of NPPA i.e. www.nppaindia.nic.in.
(d): DPCO, 2013 does not have any enabling provision to monitor the companies having updated the price-lists on their website. However, companies are mandated to update prices on Form-V (as provided in Schedule-II of DPCO, 2013) on Pharma Data Bank (PDB) - an integrated Pharmaceutical Database Management System (IPDMS). This information is monitored by NPPA.

(e): The working sheet in respect of ceiling price fixation of scheduled medicines and minutes of Authority Meetings of NPPA are uploaded on the website of the NPPA. Guidelines for price fixation are also uploaded on NPPA website.

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